BC Housing

Service Plan

2002/2003 – 2004/2005

BRITISH COLUMBIA

103-03786/

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Message from the CEO

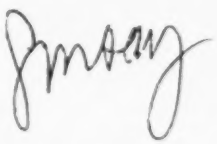
Everyone needs a place to call home – a home provides the foundation for building a strong and healthy life.

Communities across the province are facing a number of housing challenges. Our large urban centres continue to experience some of the highest housing costs in the country. In both Vancouver and Victoria, vacancy rates in the rental market are less than one per cent. Despite this demand, market rents are below levels that provide a reasonable rate of return for investors and consequently, there is little purpose-built rental housing being constructed. The affordability challenges faced by many are complicated in some instances with health and other social issues. In these circumstances not only is housing a priority, it is a necessity, together with other forms of support, in order to allow these individuals and families to retain or regain their independence.

The private sector meets the majority of the province's housing needs. An appropriate regulatory and tax system is key to an active and healthy private sector. However, housing demand in British Columbia is growing and is more varied than in the past. At certain times, in certain places and for certain groups of people the market can not be expected to respond to the needs of all people. To meet these housing challenges, all levels of government in partnership with the private and voluntary sectors must work together to develop an appropriate and sustainable response.

BC Housing, together with its partners, is working to address these growing and changing housing needs in an environment where resources are diminishing, the public housing portfolio is aging and costs are increasing. Traditional responses to funding, capital, and direct service delivery are no longer sustainable at current levels or in their current format. Our challenge is to maintain a housing system that can be sustained in the long term, and for this, we must design new ways of assisting people in greatest housing need. Addressing this issue with the guidance of the Core Review and Deregulation Task Force will be a major undertaking for BC Housing in the first year of this Service Plan.

In accordance with the *Budget Transparency and Accountability Amendment Act*, this Service Plan outlines BC Housing's priorities for the next three years. I am confident that it provides guidance for our clients, partners and staff on how we, through strategic management and innovation, will fulfill our vision of *"Working in partnership to create housing options for those most vulnerable in our communities."* It details an ambitious program to maintain our focus and achieve our goals on behalf of people in housing need in the province. I am confident that this Service Plan reflects the energy and talent of those at BC Housing and our commitment to working together with our partners to tackle these challenges.



Shayne Ramsay
CHIEF EXECUTIVE OFFICER

Strategic Context

Our Core Values

- Home, Dignity, Community

Our Vision

- Working in partnership to create housing options for those most vulnerable in our communities

Our Guiding Principles

- Building alliances and partnerships
- Respecting community leadership and expertise
- Protecting the public investment
- Providing cost-effective solutions

Key Strategies

- Multi-level partnerships including private-public partnerships
- Community consultation and participation
- Efficient use of public resources
- Innovative approaches to increasing housing options
- Research to support decision-making and 'best practices'
- A work culture of trust, continuous improvement and anticipation of client needs

Organization Review

BC HOUSING'S MANDATE

The British Columbia Housing Management Commission (BC Housing) was created in 1967 through an Order in Council under the *Housing Act* to fulfill the government's commitment to the development, administration and management of subsidized housing.

In addition, BC Housing also complies with the following legislation:
Budget Transparency and Accountability Amendment Act, [RSBC 2001] Chapter 29
Document Disposal Act, [RSBC 1996] Chapter 99
Financial Administration Act, [RSBC 1996] Chapter 136
Financial Information Act, [RSBC 1996] Chapter 140
Freedom of Information and Protection of Privacy Act, [RSBC 1996] Chapter 165
Ministry of Lands, Parks and Housing Act, [RSBC 1996] Chapter 307
Ombudsman Act, [RSBC 1996] Chapter 340
Residential Tenancy Act, [RSBC 1996] Chapter 406
Shelter Aid For Elderly Renters Act, [RSBC 1996] Chapter 424

CORE BUSINESS ACTIVITIES AND SERVICES

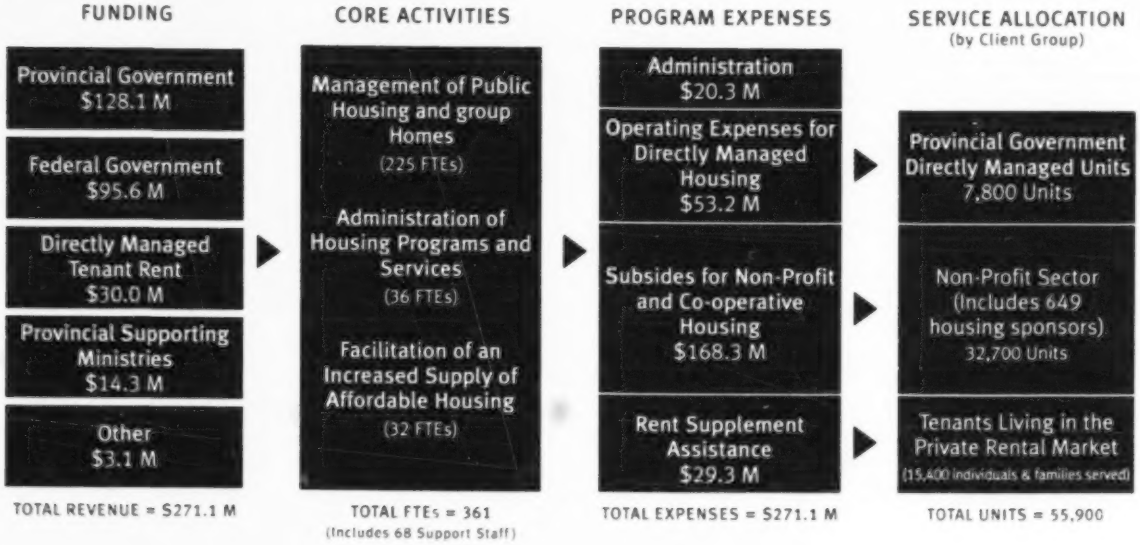
BC Housing fulfills its mandate through the following three core business activities:

- **Management of existing public housing and group homes;**
- **Administration of housing programs and services; and**
- **Facilitation of an increased supply of subsidized housing.**

In each of these core activities, BC Housing performs a stewardship role protecting the public interest and ensuring due diligence and accountability of public funds.

Business Overview

(Budget 2002/03)


FUNDING
Provincial Government $128.1 M
Federal Government $95.6 M
Directly Managed Tenant Rent $30.0 M
Provincial Supporting Ministries $14.3 M
Other $3.1 M
TOTAL REVENUE = $271.1 M
CORE ACTIVITIES
Management of Public Housing and group Homes (225 FTEs)
Administration of Housing Programs and Services (36 FTEs)
Facilitation of an Increased Supply of Affordable Housing (32 FTEs)
TOTAL FTEs = 361 (Includes 68 Support Staff)
PROGRAM EXPENSES
Administration $20.3 M
Operating Expenses for Directly Managed Housing $53.2 M
Subsides for Non-Profit and Co-operative Housing $168.3 M
Rent Supplement Assistance $29.3 M
TOTAL EXPENSES = $271.1 M
SERVICE ALLOCATION (by Client Group)
Provincial Government Directly Managed Units 7,800 Units
Non-Profit Sector (Includes 649 housing sponsors) 32,700 Units
Tenants Living in the Private Rental Market (15,400 individuals & families served)
TOTAL UNITS = 55,900

MANAGEMENT OF EXISTING PUBLIC HOUSING AND GROUP HOMES

The efficient and cost-effective management of existing public housing developments and government owned group homes is a core business activity. The public housing stock is comprised of 7,800 units in 106 developments. It is some of the oldest social housing in Canada and was generally constructed in the 1950's and 60's. It was built and managed by provincial governments (or their agencies) and cost-shared with the federal government.

The public housing stock increasingly serves a wide range of needs, particularly related to health outcomes. For example more than 550 people with a mental illness have been housed under the Health Services Program – delivered by BC Housing on behalf of the Ministry of Health Services. Other developments have been modified to meet the changing needs of existing clients. Partnerships with local Health Authorities have resulted in the public housing stock being used as a stable base for clients where necessary services can be provided as needed. For example, Red Rock Manor in Lillooet (20 units) has been converted to supportive living for seniors managed by the Health Authority.

The existing inventory of public housing represents a substantial investment in communities across the province and is an important asset for responding to the ongoing need for affordable housing. BC Housing maintains an applicant wait list for access/placement in public housing which currently includes more than 10,000 households; high need groups include adults with physical and mental disabilities, frail seniors and low-income families. BC Housing responds to an average of 71,000 housing inquiries per year from individuals in need of affordable housing.

An internet-based housing registry was launched in November 2001. This tool will make it easier for applicants to apply for subsidized housing. It will also help housing providers manage their applicant lists and eliminate duplication. Initially targeted to the Lower Mainland, it will be expanded to include other regions in the province.

BC Housing also provides administration and management support for 600 group homes and special needs residences on behalf of other provincial ministries and Health Authorities (including shelters and transition houses).

ADMINISTRATION OF HOUSING PROGRAMS AND SERVICES

BC Housing is responsible for the planning, management and delivery of a broad range of housing programs and services. Non-profit housing owned and managed by community-based groups became the social housing model in the early 1970's when traditional public housing was discontinued. The majority of social housing stock across the province is delivered in partnership with 577 non-profit societies and 72 housing co-ops. These groups are responsible for the management of more than 32,000 units of subsidized housing. BC Housing provides financial, administrative and technical support to these groups as well as administering long-term operating agreements and managing the flow of housing subsidies. The payment of housing subsidies is a contractual responsibility of the provincial government and represents a significant portion of BC Housing expenditures ($152.3 million in 2001/2002).

The provision of targeted rent assistance programs and other housing assistance to more than 15,000 households in the private rental market is an important component of the province's housing program inventory. Targeted programs such as the Shelter Aid for Elderly Renters (SAFER) and the Supported Independent Living (SIL) program for people with a mental illness give individuals and families the option to remain in their community and live in existing private rental housing.

In administering housing programs, BC Housing's role is one of stewardship and accountability. BC Housing fulfills an oversight role designed to ensure that provincial housing resources are used as efficiently and effectively as possible. BC Housing reviews and approves the annual operating budgets of housing providers and completes 5-year operational reviews to ensure buildings are managed and maintained appropriately and that client needs are met.

FACILITATION OF AN INCREASED SUPPLY OF SUBSIDIZED HOUSING

The facilitation of effective community-based housing solutions is an important business activity. There has been a significant shift towards providing more subsidized housing for those in need of both housing and support in order to retain or gain independence. A public-private partnership approach is used to create all new subsidized housing. The developments are owned and managed by non-profit/co-operative housing sponsors, designed and built by the private sector, and subsidized by the provincial government.

Since 1994 partners, including housing sponsors, other levels of government and the private sector, have contributed more than $101 million in grants, equity contributions, land discounts and other donations allowing for the creation of additional housing without additional provincial funding.

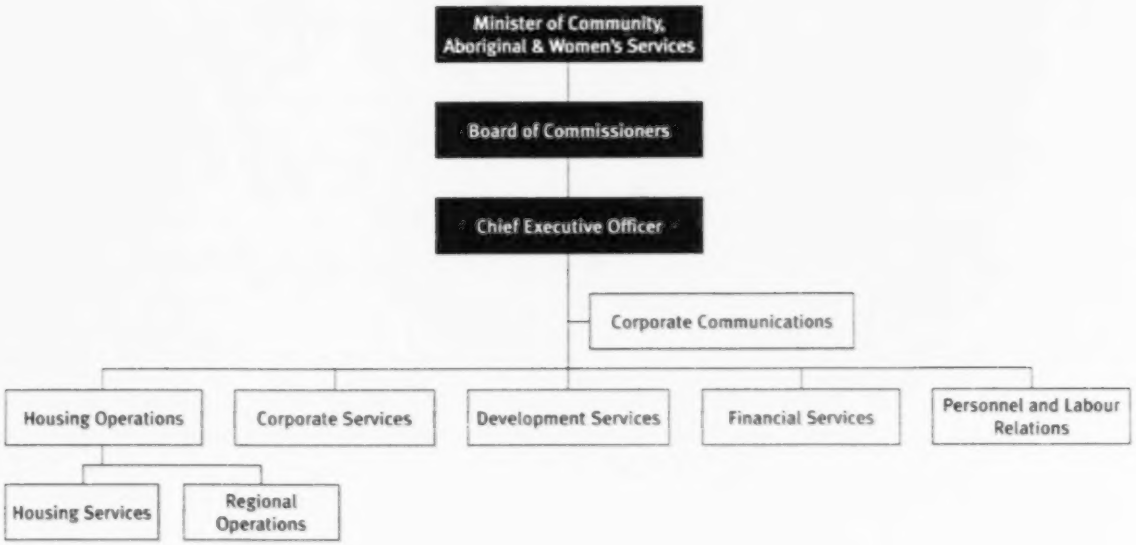
As an NHA lender, BC Housing has the capacity through its Fiscal Agency Loan agreement with the Ministry of Finance to provide cost-effective construction financing for new housing developments. Long-term financing is provided by the private sector and carried as debt by the housing sponsor. The ability to pass on the significant benefits of government's low borrowing costs facilitates the development of subsidized housing and reduces ongoing operating costs for housing sponsors and government.

BC Housing administers a mortgage portfolio of $1.3 billion for non-profit housing sponsors. These mortgages are held by the housing sponsor with private sector financial institutions.

SUPPORT FUNCTION AND PROCESSES

There are numerous support functions and processes that also play an integral role in helping to manage risk and support the efficient and effective delivery of housing programs and services. These include the in-house resources and skills needed to innovate, plan, formulate operational policy, monitor performance, and build and maintain strong internal and external stakeholder relations. The following chart provides an overview of BC Housing's organizational structure and identifies the primary areas of responsibility/accountability.

BC HOUSING'S ORGANIZATIONAL STRUCTURE



KEY RESPONSIBILITIES OF BC HOUSING BRANCHES

Housing Operations

- Maintains applicant registry and allocates housing in directly managed developments;
- Delivers rent subsidy programs including SAFER, SIL and the Priority Placement Program;
- Provides financial and administrative support to non-profit and co-op housing sectors;
- Directly manages public housing and group homes.

Corporate Services

- Provides specialized expertise and services to all branches across the organization such as administrative services, information systems, research and planning, legal and program analysis.

Development Services

- Facilitates the development of affordable housing options such as group homes, supportive seniors housing and housing for homelessness and those "at risk".

Financial Services

- Oversees construction financing, investment, budgeting, accounting and payroll;
- Provides mortgage administration for both BC Housing and PHRC (Provincial Rental Housing Corporation).

Personnel & Labour Relations

- Provides recruitment and training;
- Facilitates labour relations, negotiations, compensation, job evaluation, benefits management, employment equity and multiculturalism;
- Oversees occupational health and safety.

Planning Context and Key Strategic Issues

The External Environment

Current housing challenges include:

- Fiscal pressures facing government;
- Limited new rental housing construction;
- Affordability challenges and market imperfections;
- Increasing housing and support for people with complex needs in public housing;
- Increasing levels of homelessness; and
- Building envelope failures.

FISCAL PRESSURES FACING GOVERNMENT

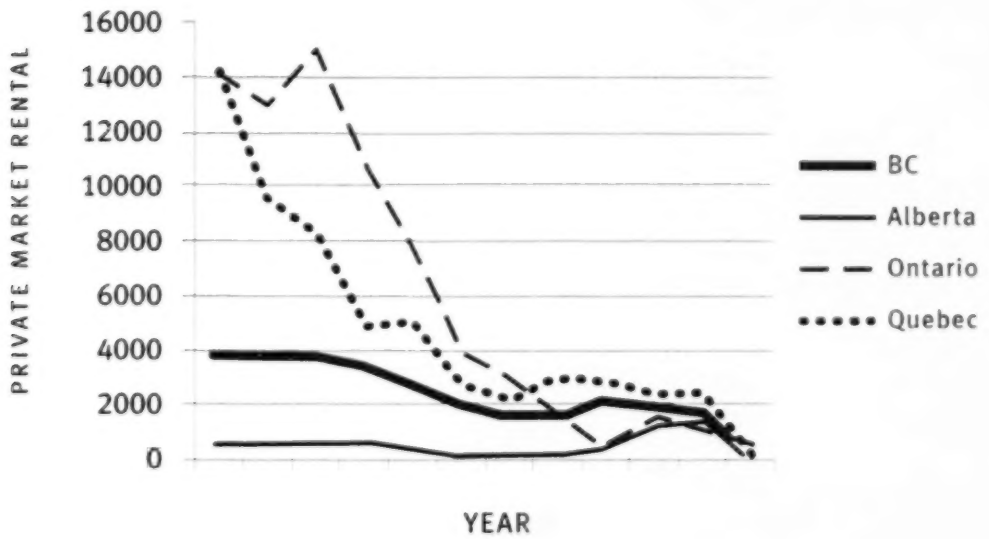
BC Housing is a taxpayer-supported crown corporation. As such, it has a responsibility to achieve effective housing outcomes within a sustainable fiscal framework. The Commission will face significant budget reductions over the next three years to meet the government's commitment to a balanced provincial budget in 2004/05.

LIMITED NEW RENTAL HOUSING CONSTRUCTION

Since the early 1990's there has been a significant decline in the construction of purpose-built rental housing. From 1999 to 2000, out of a total of 30,727 new housing starts across the province, only 2,093 have been private rental housing. This decline can be attributed to a broad range of factors including the high cost of land, lack of investor confidence and other factors that resulted in lower profit margins and lower returns on investment. Higher returns are available from condominium development.

At the same time housing demand in BC is growing and is more varied than in the past—putting additional pressure on the housing market. An increasing and aging population, changing family size and composition, and the size and ethnic composition of major urban centres have all contributed to a changing and increasing demand on the market. As a result, our large urban centres continue to experience some of the highest-cost housing in the country. In both Vancouver and Victoria vacancy rates in the rental market are less than one per cent.

PRIVATE MARKET RENTAL



Despite this demand, market rents are below levels that provide a reasonable rate of return for investors and consequently, there is little purpose-built rental housing being constructed. It is anticipated that current demographic trends will continue to place pressures on the private rental market, especially in larger urban centres.

AFFORDABILITY CHALLENGES AND MARKET IMPERFECTIONS

Increasing housing costs as well as declining incomes among renter households are areas of growing concern. Current research[1] suggests that there are approximately 1.2 million households across Canada, including 232,400 households in BC, that are unable to find housing in their community that meets their needs and that is in good repair without it costing more than 30 per cent of their income. Of these households, more than two-thirds are renters.

A review of longer-term trends in the income distribution of renters and owners suggests that housing options for an increasing number of renter households are becoming more constrained. In 1996, the average income for renters in BC was 59 per cent of that of owners. Furthermore, a recent survey[2] revealed that the average income for renter households is declining. Based on the study findings, the median income for renters in Vancouver decreased by 10 per cent between 1984 and 1999 while the median income for owners dropped by 5 per cent. This is the case for many other large urban centres as well and raises concerns about the increasing marginalization and residualization of renter households.

33% of renters in BC (155,265) have insufficient incomes to access suitable private market housing

2/3 of these are paying more than 50% of their income on rent.

[1] Canada Mortgage and Housing Corporation, 2001 (to be confirmed)
[2] Survey of Labour and Income Dynamics (SLID)

INCREASING HOUSING AND SUPPORT NEEDS FOR PEOPLE WITH COMPLEX NEEDS IN PUBLIC HOUSING

Public housing is home to many families and individuals who face a number of other challenges in addition to lack of affordable housing and who need a range of housing and support options to allow them to retain their independence. This includes individuals with chronic and persistent mental illness and substance misuse issues as well as women and children fleeing abuse. Through time, the public housing stock has become the housing of last resort.

As well, most people have different housing needs as they progress through different stages of their lives. This is particularly important as BC Housing works to address the needs of frail seniors and individuals with disabilities who wish to continue to live independently in their community. Currently, 4,380 of the 7,800 public housing units are for seniors. Of the seniors living in these units, 1 in 6 are over the age of 80.

INCREASED LEVELS OF HOMELESSNESS

A growing number of people are homeless or at risk of homelessness because of an array of problems. These include an inability to afford anything except perhaps poor quality housing, discrimination in the housing market particularly if they have dependence or mental health issues, or the need for additional assistance to find and maintain their housing. At the most extreme, the consequence of these difficulties is homelessness.

Homelessness is a major social issue in Canada today despite the country's wealth and reputation for a high living standard. There are an estimated 200,000 people without shelter in Canada. While the crisis has not reached the acute stage, it has in other parts of the country; the number of people living on the streets is growing. In Vancouver alone, there is estimated to be between 600 to 1,000 homeless people, with increasing numbers living in the surrounding municipalities, such as Surrey

and New Westminster. There is also a growing number of homeless people in Victoria, Nanaimo, Prince George, Kelowna and Kamloops. It is more and more difficult for emergency housing providers in Greater Vancouver to keep up with demand. Increasingly, people are being turned away from shelters due to lack of space or lack of appropriate beds. About 500 people are turned away each month by Vancouver's four largest shelters.

An effective response to the needs of those who are homeless requires a broad range of strategies including crisis/emergency services as well as transitional and re-integrative strategies. It also includes the development of a continuum of housing and support options designed to assist individuals in making the transition from homelessness to permanent housing.

BUILDING ENVELOPE FAILURES

The leaky condominium problem has also impacted the provincial social housing portfolio. Social housing built and managed by the non-profit housing sector was subject to the same factors that contributed to the building envelope failures in the private market. In partnership with the non-profit sector, BC Housing undertook a large-scale examination of buildings in the Lower Mainland. Approximately 166 buildings were identified as experiencing some type of failure and about 49 have significant levels of damage. A 10-year repair program was initiated in 1998–99. The total repair cost is estimated at $50 million. A similar study is currently underway for the non-profit housing stock on Vancouver Island.

The Internal Environment

Key challenges within BC Housing's internal environment include:

- Providing effective responses to housing need as revenues decline and costs increase;
- Aging social housing stock;
- Ensuring the appropriate alignment of resources;
- Successfully managing change; and
- Responding to priorities emerging through core services review.

PROVIDING EFFECTIVE RESPONSES TO HOUSING NEED AS REVENUES DECLINE AND COSTS INCREASE

The management response to a challenging financial environment must include strategies to improve program administration so that key objectives can be met within available resources. BC Housing will continue to refine its approach to its administrative responsibilities with the goal of reducing the complexity and cost of those responsibilities while maintaining appropriate oversight of government resources and improving overall program coordination. This requires a reassessment of our interaction with non-profit and co-op sponsors as well as our approach to the management of government owned housing. We plan to work with our partners cooperatively to respond to resource constraints in ways which will maintain effective client support.

Key challenges that must be met as we move forward include declining tenant incomes as well as the prospect of upward pressure on interest rates and other operating costs such as insurance. As most of these factors cannot be directly controlled by BC Housing, a flexible innovative approach to managing cost pressures will be required as will the cooperation and active involvement of the housing sector.

Internally, we must ensure that staff have the appropriate skills and authority to respond to our changing circumstances. Effective business planning processes which focus on results-based decision making are needed. As we continue to move forward on the goals and objectives set out in this service plan, we face significant challenges in our efforts to maintain a portfolio of safe, decent and affordable housing for the most vulnerable in our society.

AGING SOCIAL HOUSING STOCK

Much of the public housing stock built in the post-war decades is now dated, ill-suited for households currently on the applicant registry, and fails to meet energy efficiency and other environmental criteria. One-size fits all housing solutions are no longer appropriate given the increasingly diverse and complex nature of housing demand.

BC Housing will continue with its efforts to maintain and improve the public house stock. However, ongoing capital improvements are constrained by the availability of funding. Many of these developments require efforts to not only modernize but future plans must include redevelopment and regeneration initiatives. Future initiatives have wide-ranging policy and management issues related to increased demand, roles and responsibilities of staff, appropriate building amenities and access to support services. This will require building effective and integrative partnerships with tenants, community organizations and the private sector to support those with more complex housing and health needs.

ENSURING THE APPROPRIATE ALIGNMENT OF RESOURCES

Earlier this year, BC Housing started making changes to its corporate structure in order to streamline functions and reduce administrative complexity. It is a means to ensure clear accountabilities for customer service standards and establish and maintain strong stakeholder relations. BC Housing will continue to experience a changing social, political environment and views this as an important opportunity to build on our existing strengths and to continue to improve our current business practices.

This includes searching for additional opportunities to streamline and consolidate existing administrative activities as well as taking full advantage of technology in order to respond quickly and flexibly to ongoing changes. We will also place an increased emphasis on our own internal processes and plan to establish an internal audit function to facilitate this direction.

SUCCESSFULLY MANAGING CHANGE

It is evident that BC Housing, like all areas of government, will continue to operate in an environment of significant change. This means it is important to continue to examine closely our business activities, management style, methods and processes in order to identify opportunities to strengthen and improve the programs and services we deliver. At the same time, we must be responsive to the changing needs of our social housing partners and social housing residents. If we are to succeed in this area, we must provide staff with the support they need to meet the challenges of change and work to mitigate any direct effects from that change. A staff reduction of 66 staff positions over the next three years is required under our existing budget, and will be implemented wherever possible through attrition. Methods will be developed to reduce the impact on individuals from these reductions.

RESPONDING TO PRIORITIES EMERGING THROUGH CORE SERVICES REVIEW

BC Housing, like all Crown corporations, agencies, boards and commissions is participating in the provincial core services review.

Our attention throughout this process will be focused predominately on a review of the services we provide directly to determine whether these services are affordable and whether an entity other than government would be better suited to deliver them. Any changes in mandate or the delivery of programs and activities arising from the cores services review will be reflected in BC Housing's 2003/04 Service Plan.

Goals, Objectives, Key Strategies 2002/03 – 2004/05

In this section, BC Housing's goals and objectives are presented together with the strategies that support them. Benchmarks and targets for each goal are provided to indicate how performance will be measured.

The following goals and strategic objectives form the basis of BC Housing's Service Plan for 2002/03 – 2004/05.

1.0 INCREASED HOUSING OPTIONS

1.1 Direct new resources to increase housing options for the province's most vulnerable citizens.

1.2 Lever existing assets to generate additional housing.

1.3 Establish partnerships with community organizations, the private sector, local government and other ministries to create additional locally-based housing options.

2.0 CLIENT-FOCUSED SERVICE DELIVERY FOR THOSE MOST IN NEED

2.1 Provide access to well-managed public housing.

2.2 Ensure the long-term quality and viability of the public housing stock.

2.3 Maximize housing options through the public housing portfolio for those with complex housing and health needs.

3.0 SUSTAINABLE LOCAL HOUSING SOLUTIONS

3.1 Effective planning, management and delivery of housing programs and services.

3.2 Provision of affordable housing options to those most in need in the private rental market.

3.3 Respect and support the expertise and local autonomy of community-based housing providers.

4.0 A HIGH PERFORMING ORGANIZATION

4.1 Maintain a professional and committed workforce that is responsible to and reflective of the diversity of the communities where we live and work.

4.2 Manage technology effectively in order to maximize productivity and provide the highest standards of customer service and access to information.

4.3 Ensure that the functions of the organization are carried out according to government priorities, legislated requirements, and broader social policy objectives.

GOAL 1.0 INCREASED HOUSING OPTIONS

OBJECTIVE 1.1 Direct new resources to increase housing options for the province's most vulnerable citizens.

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Number of additional units provided	1676 units	532 units	900 units

OBJECTIVE 1.2 Lever existing assets to generate additional housing.

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Number of units created or preserved through redevelopment, regeneration and reinvestment initiatives	Number of units created or preserved (to be determined on a case-by-case basis as opportunities are identified).	Number of units created or preserved (to be determined on a case-by-case basis as opportunities are identified).	Number of units created or preserved (to be determined on a case-by-case basis as opportunities are identified).

OBJECTIVE 1.3 Establish partnerships with community organizations, the private sector, local government and other ministries to create additional locally based housing options.

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Equity contributions leveraged from partners	$24.8 M federal funding leveraged	$8.9 M federal funding leveraged	$22.5 M federal funding funding
	$24.6 M partnership equity leveraged	$16 M partnership equity leveraged[3]	$5 M partnership equity

[3] Due to the fact that 2003/04 is a transition year between the HOMES BC program and the Housing and Health Initiative, this target is declining.

GOAL 2.0 CLIENT-FOCUSED SERVICE DELIVERY FOR THOSE MOST IN NEED

OBJECTIVE 2.1 **Provide access to well-managed public housing.**

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Families and individuals assisted through to public housing	7800 families and individuals	7800 families and individuals	7800 families and individuals
Applicants housed as a result of turnover in public units	750 households	750 households	750 households
Total public housing stock vacancy rate	4% of active vacancies	3% of active vacancies	3% of active vacancies
Average time taken to collect tenant rents	97% of rent collected within 15 days of the first of the month	97% of rent collected within 15 days of the first of the month	97% of rent collected within 15 days of the first of the month
High levels of tenant satisfaction captured through periodic surveys	Measure and target to be determined. Baseline data will be established through a survey in 2002/03.		

OBJECTIVE 2.2 **Ensure the long-term quality and viability of the public housing stock.**

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Work plan identifies priority projects established by detailed assessment of building conditions	Minimum of 90% of planned projects completed in at least 85% of developments	Minimum of 90% of planned projects completed in at least 85% of developments	Minimum of 90% of planned projects completed in at least 85% of developments

OBJECTIVE 2.3 **Maximize housing options for those with complex housing and health needs through the public housing portfolio.**

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Families and individuals housed[4]	8% of the total public housing stock to house those with complex housing and health needs	10% of the total public housing stock to house those with complex housing and health needs	12% of the total public housing stock to house those with complex housing and health needs

[4] includes priority placement, individuals with a mental illness, individuals in transition from detox, and frail seniors

GOAL 3.0 SUSTAINABLE LOCAL HOUSING SOLUTIONS

OBJECTIVE 3.1 **Effective planning, management and delivery of housing programs and services.**

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Subsidies provided to non-profit and co-op housing providers	$168.3 M	$177.1 M	$176.3 M
Households assisted through non-profit and co-op housing	32,700 households	33,200 households	34,100 households
Non-profit and co-op subsidy requirements delivered within approval guidelines	A minimum of 90% of all housing providers	A minimum of 90% of all housing providers	A minimum of 90% of all housing providers
Effectively respond to applicant inquiries	90% of total number of new housing applications processed within 10 working days	90% of total number of new housing applications processed within 10 working days	90% of total number of new housing applications processed within 10 working days
Increasing level of provider participation in the housing registry	A year over year increase of 5% in the number of housing providers participating in the *Housing Registry*	A year over year increase of 5% in the number of housing providers participating in the *Housing Registry*	A year over year increase of 5% in the number of housing providers participating in the *Housing Registry*
Rates for all mortgages renewed/placed average 100 or more basis points below market	Average basis points below market for all mortgages renewed/ placed	Average basis points below market for all mortgages renewed/ placed	Average basis points below market for all mortgages renewed/ placed

OBJECTIVE 3.2 **Provision of affordable housing options to those most in need in the private rental market.**

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Households receiving housing assistance	15,400 households receiving housing assistance[5]	15,800 households receiving housing assistance	16,200 households receiving housing assistance

[5] Includes SAFER, SIL, and other housing assistance

OBJECTIVE 3.3 **Respect and support the expertise and local autonomy of community-based housing providers.**

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Decreased levels of review for housing providers that have demonstrated effective management	Less than 15% of housing providers requiring a high level of review and support	Less than 10% of housing providers requiring a high level of review and support	Less than 5% of housing providers requiring a high level of review and support

GOAL 4.0 A HIGH PERFORMING ORGANIZATION

OBJECTIVE 4.1 Maintain a professional and committed workforce that is responsible to and reflective of the diversity of the communities where we live and work.

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Maintain a skilled workforce	45% staff participation in voluntary training opportunities	53% staff participation in voluntary training opportunities	60% staff participation in voluntary training opportunities
High levels of perfect attendance	20% of staff with perfect attendance	20% of staff with perfect attendance	20% of staff with perfect attendance
Success in maintaining a diverse workforce	Meet or exceed targets representative of the provincial demographics as set out in the Employment Equity Plan.		

OBJECTIVE 4.2 Manage technology effectively in order to maximize productivity and provide the highest standards of customer service and access to information.

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Increased use of technology to enhance productivity and improve operational outcomes	Successful development of e-government initiatives	Successful development of e-government initiatives	Successful development of e-government initiatives

OBJECTIVE 4.3 Ensure that the functions of the organization are carried out according to government priorities, legislated requirements, and broader social policy objectives.

Measures and Strategies	Targets and Benchmarks		
	2002/03	2003/04	2004/05
Carry out functions as specified in the shareholder's letter	100% of functions fulfilled	100% of functions fulfilled	100% of functions fulfilled
Compliance with related acts and legislation	100% compliance	100% compliance	100% compliance

Summary Financial Outlook

PROGRAM REVENUES

BC Housing's primary funding sources for the delivery of a range of housing programs and services are shown in Table 1. BC Housing's revenues will grow by 13 per cent cent from 2001/02 to 2004/05. The provincial government will provide approximately 50 per cent of BC Housing's revenue and this contribution will increase by 15.6 per cent to 2004/05 to enable HOMES BC units consistent with BC Housing's strategic direction to be completed and to fund the new housing/health initiative. Federal funding will grow by 13.5 per cent from 2001/02 to 2004/05 to finance necessary accelerated repairs to leaky social housing buildings and to complete seismic upgrades on two high rise public housing developments.

The $88.7 million Canada Mortgage and Housing Corporation (CMHC) funding under the new Affordable Housing Program Agreement will decrease capital costs, which will in turn decrease subsidies paid to non-profit societies over time.

PROGRAM EXPENDITURES

Subsidies to non-profit and co-op housing providers responsible for the delivery of 32,700 units social housing (by 2004/05) across the province represent nearly 60 per cent of BC Housing's expenditures. The subsidy budget will increase nearly 16 per cent by 2004/05 reflecting the completion of 3100 units of housing under the HOMES BC program and the start-up of the new housing/health initiative.

The building envelope repairs budget has been increased from $5.2 million in 2001/02 to $21.9 million in 2002/03. This reflects the urgent need to accelerate repairs to minimize health and safety risks to tenants and to protect the social housing stock. This budget level is maintained throughout each of the next three years. The aging social housing portfolio continues to cause upward pressure on BC Housing's budget.

Modernization and improvements are cost shared with the federal government contributing 65 per cent and the provincial government contributing 35 per cent. Due to significant fiscal pressures, much of the provincial contribution will be debt financed over 20 years using second mortgages on non-profit and co-op housing developments. The debt repayment will form part of the ongoing subsidy payments to housing sponsors.

In order to achieve the budget targets as outlined in Table 1, BC Housing must reduce staff, office and overhead, operating expenses and building maintenance costs. In addition, BC Housing will work with the housing sector to implement efficiencies in manageable costs and other initiatives to reduce the level of subsidy required.

Table 1: Summary Financial Outlook 2002/03 to 2004/05

all amounts in thousands of dollars	2001/02 BUDGET	2002/03 BUDGET	2003/04 FORECAST	2004/05 FORECAST
REVENUES				
Tenant Rent	29,685	29,962	30,322	30,685
Sundry Revenue	3,085	3,111	3,122	3,133
Sponsoring Ministries	13,233	14,318	14,490	14,664
Provincial Share	123,109	128,051	139,349	142,406
Federal Share	79,670	95,623	95,481	90,393
Total Revenues	**248,782**	**271,065**	**282,764**	**281,281**
EXPENDITURES				
Administration	20,385	20,300	19,972	19,366
Directly Managed Housing	47,896	53,183	54,202	51,338
NP & Housing Co-ops Subsidies	152,253	168,288	177,058	176,302
Rent Supplement Assistance	28,248	29,294	31,532	34,275
Total Expenditures	248,782	271,065	282,764	281,281

NOTES:

1. The Three Year Service Plan excludes working capital interest revenue/expenses and line of credit expense. Programs funded by other ministries are included.
2. Included in the projections is the completion of the HOMES BC projects under construction.
3. Subject to approval, the projections include the Health Housing Initiatives:
   *3500 units with 1000 conversion units, 1500 new units and 1000 rent supplement units.
4. The mortgage rate assumption is 6.1% (5 year term) for all years.
5. The CPI inflation rate assumption is 1.2% per year from 2002/03 to 2004/05.

Publications

Corporate Literature

Annual Reports
BC Housing Multi-Year Performance Plan 2001 – 2004

Program Information

Applying for Affordable Housing in British Columbia – How To Apply
BC Housing Bursary Program
BC Housing Health Services Program
Housing Registry Bulletin
Priority Placement Program
Rapid Damage Assessment (Field Manual)
Shelter Aid For Elderly Renters (SAFER)
Tenant Association Grant Program
The Link – Maps, Buildings and Addresses of Affordable Housing in BC

Publications for Housing Providers

Housing Provider Kit:

- Operations
- Financial Management
- Governance
- Maintenance
- Management Performance

Fact Sheets and Information Bulletins:

- Affordable Housing in British Columbia
- Myths and Attitudes about Social Housing
- The Facts on Housing Need
- The Facts on Special Needs Housing
- Working Toward Solutions
- Homelessness – A Call for Action
- Housing Sector Update

Public Education:

Opening Doors boxed set of six videos:

- Affordable Housing
- Social Housing
- Special Needs Housing
- Homelessness
- Strong Communities
- What's Next

Resource Materials/Business Plans

Public Housing Advisory Council Strategic Plan and Action Plans
Community Housing Initiatives Program Business Plan 1999–2001
Community Resource Directory

Collaborative Research Initiatives

The Downtown Core Housing Project: *A Community Self Portrait*
Cost-Effective Housing in British Columbia

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Information about BC Housing and affordable housing issues is also available at www.bchousing.org